Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014

Message Text

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PAGE 01 ANKARA 02671 071436Z
ACTION EUR-12

INFO OCT-01 ISO-00 AID-05 CEA-01 CIAE-00 COME-00 EB-08
EA-10 FRB-03 INR-10 IO-13 NEA-10 NSAE-00 OPIC-03
SP-02 TRSE-00 LAB-04 SIL-01 AGRE-00 OMB-01 SS-15
STR-07 DODE-00 PM-05 H-01 L-03 PA-01 NSCE-00
SSO-00 ICAE-00 INRE-00 /116 W
----------040057 071449Z /45
O R 071400Z APR 78
FM AMEMBASSY ANKARA
TO SECSTATE WASHDC IMMEDIATE 1427
INFO AMEMBASSY BERN
AMCONSUL ADANA
AMEMBASSY BONN
AMEMBASSY BRUSSELS
AMEMBASSY COPENHAGEN
AMEMBASSY THE HAGUE
AMCONSUL ISTANBUL
AMEMBASSY LONDON
AMCONSUL IZMIR
AMEMBASSY LUXEMBOURG
AMEMBASSY OSLO
AMEMBASSY OTTAWA
AMEMBASSY PARIS IMMEDIATE
AMEMBASSY ROME
AMEMBASSY STOCKHOLM
AMEMBASSY VIENNA

C O N F I D E N T I A L ANKARA 2671

USEEC

USOECD

E.O. 11652: GDS
TAGS: EFIN, EAID, OECD, TU
SUBJ: TURKISH POSITION ON THE ROLE OF THE OECD
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PAGE 02 ANKARA 02671 071436Z

REF: (A) ANKARA 2637, (B) STATE 87922 (NOTAL)

1. EMBASSY SOUGHT CLARIFICATION ON APRIL 7 OF TURKISH EXPECTA-
TIONS FROM OECD CONSORTIUM (REF A) FROM AYSEL OYMEN,
DIRECTOR GENERAL OF TREASURY FOR FOREIGN FINANCING.

Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014

Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014

2. WITH REGARD TO TURKISH WISH THAT OECD CONSORTIUM FOR TURKEY ARRANGE POSTPONEMENT OF PAYMENT OF ALL GUARANTEED AND NON-GUARANTEED SUPPLIERS' CREDITS CURRENTLY IN ARREARS, MRS OYMEN SAID TAHT TURKEY WANTS THESE DEBTS RESCHEDULED BY CREDIT INSITITUIONS LIKE EXIMBANK, HERMES, COFACE, ETC. IF INDIVIDUAL INSTITUTIONS ARE UNABLE TO ASSUME THIS TALKS,FOR WHAT-EVER REASON, TURKEY ASKS THAT THE ESPECTIVE GOVERN-MENTS ASSUME THE RESPONSIBILITY. ALTHOUGH MINISTER SPOKE TO AMBASSADOR APRIL 6 ABOUT A FIVE-YEAR REFINANCING OF SUCH DEBT, MRS OYMEN SAID THAT GOT WOULD LIKE SEVEN YEARS: THREE-YEAR GRACE PERIOD AND FOUR-YEAR REPAYMENT PERIOD. WHEN EMBOFF SAID THAT IT WOULD BE IMPOSSIBLE FOR USG TO PLAY A ROLE IN RESCHEDULING COMMERCIAL ARREARS WHERE THERE IS NO GOVERNMENT INVOLVEMENT IN THOSE CREDITS, MRS OYMEN REPLIED THAT IF A PARTICULAR GOVERNMENT COULD NOT HELP IN ONE WAY, THEN IT COULD HELP IN ANOTHER. "THE ESSENCE OF THE PROBLEM IS BURDEN-SHARING," SHE SAID.

3. WITH REGARD TO RESCHEDULING OF LONG-TERM DEBT TO GOVERNMENTS FALLING DUE IN THE NEXT FIVE YEARS, MRS OYMEN CONFIRMED OUR UNDERSTANDING THAT TURKEY WAS ASKING FOR ARRANGEMENTS TO BE DEVELOPED UNDER WHICH IT WOULD NOT HAVE TO MAKE PAYMENTS ON SUCH DEBTS OVER THE NEXT FIVE YEARS. SHE DID NOT WISH TO BE SPECIFIC ABOUT WHAT CONFIDENTIAL

THESE ARRANGEMENTS MIGHT BE--REFINANCING, POSTPONE-MENT, OR ANY MEANS TO THE END WOULD DO.

4. COMMENT. TURKS APPEAR TO US TO BE VAGUE IN THEIR EXPECTATIONS FOR CONSORTIUM ACTION AND WEAK IN THEIR TECHNICAL PREPARATIONS. THEY ARE REALLY NOT INTERESTED IN KNOWING WHAT PROBLEMS OTHER GOVERNMENTS MIGHT HAVE IN CONSIDERING THE THREE TURKISH REQUESTS OUTLINED IN REF A. THIS ATTI-TUDE MAY BE DUE TO THE FACT THAT THEY ARE DRAWING A FALSE ANALOGY. BOTH MRS OYMEN AND FINANCE MINISTER MUEZZINOGLU HAVE HARKED BACK TO 1965 IN THEIR CONVERSA-TIONS WITH US, SAYING THAT THEY LOOK TO THE OECD TODAY TO WORK AS SUCCESSFULLY IN THEIR BEHALF AS IT DID 13 YEARS AGO. BUT THEN THEIR OVERDUE DEBTS WERE MAINLY TO GOVERNMENTS; NOW THEY ARE MAINLY TO PRIVATE BANKS AND COMPANIES. IT IS PROBABLE THAT THE TURKS ARE GOING TO BE DISCOURAGED AT THE SLOWNESS AND SIZE OF RELIEF THROUGH THE CONSORTIUM. OECD MEMBERS, AND ESPECIALLY THE UNITED STATES, MAY BE HEARING FROM TURKEY OVER THE NEXT FEW MONTHS EXPRESSIONS OF DISAPPOINTMENT AND

Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014

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CHARGES OF LACK OF UNDERSTANDING AND THE ABSENCE OF
POLITICAL WILL.
SPIERS

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EO Systematic Review
20 Mar 2014
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